



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB0916

Introduced 2/2/2005, by Rep. Jay C. Hoffman

#### SYNOPSIS AS INTRODUCED:

230 ILCS 5/27

from Ch. 8, par. 37-27

Amends the Illinois Horse Racing Act of 1975. Provides that, on and after the effective date of this amendatory Act, every organization licensee and inter-track wagering location licensee shall pay a pari-mutuel tax at the rate of 1.1% of daily pari-mutuel handle; except that each organization licensee whose track facilities are located in counties of less than 400,000 and that was operating on or before June 1, 1986 and each inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall instead pay a pari-mutuel tax at the rate of 0.1% of daily pari-mutuel handle. Provides that if certain circumstances occur, every organization licensee and inter-track wagering location licensee shall instead pay a pari-mutuel tax at the rate of 1.5% of daily pari-mutuel handle. Effective immediately.

LRB094 06757 AMC 36859 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Horse Racing Act of 1975 is amended  
5 by changing Section 27 as follows:

6 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

7 Sec. 27. (a) In addition to the organization license fee  
8 provided by this Act, until January 1, 2000, a graduated  
9 privilege tax is hereby imposed for conducting the pari-mutuel  
10 system of wagering permitted under this Act. Until January 1,  
11 2000, except as provided in subsection (g) of Section 27 of  
12 this Act, all of the breakage of each racing day held by any  
13 licensee in the State shall be paid to the State. Until January  
14 1, 2000, such daily graduated privilege tax shall be paid by  
15 the licensee from the amount permitted to be retained under  
16 this Act. Until January 1, 2000, each day's graduated privilege  
17 tax, breakage, and Horse Racing Tax Allocation funds shall be  
18 remitted to the Department of Revenue within 48 hours after the  
19 close of the racing day upon which it is assessed or within  
20 such other time as the Board prescribes. The privilege tax  
21 hereby imposed, until January 1, 2000, shall be a flat tax at  
22 the rate of 2% of the daily pari-mutuel handle except as  
23 provided in Section 27.1.

24 In addition, every organization licensee, except as  
25 provided in Section 27.1 of this Act, which conducts multiple  
26 wagering shall pay, until January 1, 2000, as a privilege tax  
27 on multiple wagers an amount equal to 1.25% of all moneys  
28 wagered each day on such multiple wagers, plus an additional  
29 amount equal to 3.5% of the amount wagered each day on any  
30 other multiple wager which involves a single betting interest  
31 on 3 or more horses. The licensee shall remit the amount of  
32 such taxes to the Department of Revenue within 48 hours after

1 the close of the racing day on which it is assessed or within  
2 such other time as the Board prescribes.

3 This subsection (a) shall be inoperative and of no force  
4 and effect on and after January 1, 2000.

5 (a-5) Beginning on January 1, 2000 and until the effective  
6 date of this amendatory Act of the 94th General Assembly, a  
7 flat pari-mutuel tax at the rate of 1.5% of the daily  
8 pari-mutuel handle is imposed at all pari-mutuel wagering  
9 facilities, which shall be remitted to the Department of  
10 Revenue within 48 hours after the close of the racing day upon  
11 which it is assessed or within such other time as the Board  
12 prescribes.

13 (a-6) On and after the effective date of this amendatory  
14 Act of the 94th General Assembly, every organization licensee  
15 and inter-track wagering location licensee shall pay a  
16 pari-mutuel tax at the rate of 1.1% of daily pari-mutuel  
17 handle; except that each organization licensee whose track  
18 facilities are located in counties of less than 400,000 and  
19 that was operating on or before June 1, 1986 and each  
20 inter-track wagering location licensee that derives its  
21 license from a track located in a county with a population in  
22 excess of 230,000 and that borders the Mississippi River shall  
23 instead pay a pari-mutuel tax at the rate of 0.1% of daily  
24 pari-mutuel handle and except that:

25 (1) if event funds required to be appropriated by the  
26 General Assembly in item (13) of subsection (g) of Section  
27 26 are funded to the tracks in amounts equal to the amount  
28 certified by the Illinois Racing Board pursuant to that  
29 item (13), then each organization licensee and inter-track  
30 wagering location licensee shall instead pay a flat  
31 pari-mutuel tax at the rate of 1.5% of daily handle  
32 beginning on the date of receipt of the funds and until  
33 December 31 of that year; and

34 (2) if electronic gaming on racetrack property becomes  
35 legal, then each organization licensee and inter-track  
36 wagering location licensee shall instead pay a flat

1       pari-mutuel tax at the rate of 1.5% of daily handle  
2       beginning on the effective date of the Public Act that  
3       makes it legal.

4       The tax required under this subsection shall be remitted to  
5       the Department of Revenue within 48 hours after the close of  
6       the racing day upon which it is assessed or within such other  
7       time as the Board prescribes.

8           (b) On or before December 31, 1999, in the event that any  
9       organization licensee conducts 2 separate programs of races on  
10      any day, each such program shall be considered a separate  
11      racing day for purposes of determining the daily handle and  
12      computing the privilege tax on such daily handle as provided in  
13      subsection (a) of this Section.

14          (c) Licensees shall at all times keep accurate books and  
15      records of all monies wagered on each day of a race meeting and  
16      of the taxes paid to the Department of Revenue under the  
17      provisions of this Section. The Board or its duly authorized  
18      representative or representatives shall at all reasonable  
19      times have access to such records for the purpose of examining  
20      and checking the same and ascertaining whether the proper  
21      amount of taxes is being paid as provided. The Board shall  
22      require verified reports and a statement of the total of all  
23      monies wagered daily at each wagering facility upon which the  
24      taxes are assessed and may prescribe forms upon which such  
25      reports and statement shall be made.

26          (d) Any licensee failing or refusing to pay the amount of  
27      any tax due under this Section shall be guilty of a business  
28      offense and upon conviction shall be fined not more than \$5,000  
29      in addition to the amount found due as tax under this Section.  
30      Each day's violation shall constitute a separate offense. All  
31      fines paid into Court by a licensee hereunder shall be  
32      transmitted and paid over by the Clerk of the Court to the  
33      Board.

34          (e) No other license fee, privilege tax, excise tax, or  
35      racing fee, except as provided in this Act, shall be assessed  
36      or collected from any such licensee by the State.

1 (f) No other license fee, privilege tax, excise tax or  
2 racing fee shall be assessed or collected from any such  
3 licensee by units of local government except as provided in  
4 paragraph 10.1 of subsection (h) and subsection (f) of Section  
5 26 of this Act. However, any municipality that has a Board  
6 licensed horse race meeting at a race track wholly within its  
7 corporate boundaries or a township that has a Board licensed  
8 horse race meeting at a race track wholly within the  
9 unincorporated area of the township may charge a local  
10 amusement tax not to exceed 10¢ per admission to such horse  
11 race meeting by the enactment of an ordinance. However, any  
12 municipality or county that has a Board licensed inter-track  
13 wagering location facility wholly within its corporate  
14 boundaries may each impose an admission fee not to exceed \$1.00  
15 per admission to such inter-track wagering location facility,  
16 so that a total of not more than \$2.00 per admission may be  
17 imposed. Except as provided in subparagraph (g) of Section 27  
18 of this Act, the inter-track wagering location licensee shall  
19 collect any and all such fees and within 48 hours remit the  
20 fees to the Board, which shall, pursuant to rule, cause the  
21 fees to be distributed to the county or municipality.

22 (g) Notwithstanding any provision in this Act to the  
23 contrary, if in any calendar year the total taxes and fees  
24 required to be collected from licensees and distributed under  
25 this Act to all State and local governmental authorities  
26 exceeds the amount of such taxes and fees distributed to each  
27 State and local governmental authority to which each State and  
28 local governmental authority was entitled under this Act for  
29 calendar year 1994, then the first \$11 million of that excess  
30 amount shall be allocated at the earliest possible date for  
31 distribution as purse money for the succeeding calendar year.  
32 Upon reaching the 1994 level, and until the excess amount of  
33 taxes and fees exceeds \$11 million, the Board shall direct all  
34 licensees to cease paying the subject taxes and fees and the  
35 Board shall direct all licensees to allocate any such excess  
36 amount for purses as follows:

1           (i) the excess amount shall be initially divided  
2 between thoroughbred and standardbred purses based on the  
3 thoroughbred's and standardbred's respective percentages  
4 of total Illinois live wagering in calendar year 1994;

5           (ii) each thoroughbred and standardbred organization  
6 licensee issued an organization licensee in that  
7 succeeding allocation year shall be allocated an amount  
8 equal to the product of its percentage of total Illinois  
9 live thoroughbred or standardbred wagering in calendar  
10 year 1994 (the total to be determined based on the sum of  
11 1994 on-track wagering for all organization licensees  
12 issued organization licenses in both the allocation year  
13 and the preceding year) multiplied by the total amount  
14 allocated for standardbred or thoroughbred purses,  
15 provided that the first \$1,500,000 of the amount allocated  
16 to standardbred purses under item (i) shall be allocated to  
17 the Department of Agriculture to be expended with the  
18 assistance and advice of the Illinois Standardbred  
19 Breeders Funds Advisory Board for the purposes listed in  
20 subsection (g) of Section 31 of this Act, before the amount  
21 allocated to standardbred purses under item (i) is  
22 allocated to standardbred organization licensees in the  
23 succeeding allocation year.

24           To the extent the excess amount of taxes and fees to be  
25 collected and distributed to State and local governmental  
26 authorities exceeds \$11 million, that excess amount shall be  
27 collected and distributed to State and local authorities as  
28 provided for under this Act.

29           (Source: P.A. 91-40, eff. 6-25-99.)

30           Section 99. Effective date. This Act takes effect upon  
31 becoming law.